Executive Summary
Direct Investigation Operation Report

Government's Work in Combating Abuse of Public Housing Resources

Introduction

The current-term Government has done a lot of work on housing policy. By adopting the strategies of enhancing speed, efficiency, quantity and quality, the Government has endeavoured to increase the supply of public rental housing ("PRH"). PRH resources are precious to the society. In tandem with increasing supply, it is crucial to ensure that existing PRH flats are optimally used and rationally allocated to people in genuine need. At present, there are more than 840,000 households, comprising more than 2.18 million tenants, living in PRH estates across Hong Kong. This Office believes that most public tenants are law-abiding and abusers are very much in the minority. Nevertheless, abusive behaviours would cause a waste of valuable PRH resources and unfairness to families on the waiting list. The Hong Kong Housing Authority ("HKHA") and the Hong Kong Housing Society ("HKHS"), as the authorities responsible for managing PRH, are duty bound to formulate practical mechanisms and measures to monitor the occupancy status of tenants, thereby ensuring fairer and more effective allocation of PRH. The allocation of scarce resources should be focused on those in genuine and pressing need to improve their living conditions immediately and enhance the public's sense of happiness and contentment.

2. In recent years, various sectors in the community have formed a strong consensus in supporting the Government to step up efforts in combating PRH abuse and increasing penalties. The current-term Government has spared no effort in combating PRH abuse with a range of improvement measures. The substantive progress so far is certainly commendable. During this direct investigation operation, HKHA and HKHS have taken the initiative to review seriously and implement the enhanced Well-off Tenants Policy ("WTP"). New measures to step up combating PRH abuse are also introduced in succession, such as exploring amendments to the Housing Ordinance for greater deterrent effect, establishing a data matching and verification mechanism with the Land Registry ("LR"), and launching the Report Public Housing Abuse Award. Since the current-term Government took office in July 2022, the Housing Department ("HD") has recovered more than 7,000 flats on the grounds of abuse or breaches of tenancy terms or housing policies. The number of recovered flats has already exceeded

the total number of flats in a large estate. Their positive attitude and remarkable results achieved are worthy of recognition. Nevertheless, in view of the widespread concern about PRH abuse and relevant complaints lodged with us by members of the public from time to time, we consider it worthwhile to go the extra mile with an in-depth investigation into HD and HKHS, thereby ensuring that their work against PRH abuse is more precise, comprehensive and effective.

3. This Office has examined the work of HD and HKHS in monitoring tenants' occupancy status, vetting tenants' declaration of income and assets, investigating and following up on suspected PRH abuse cases. Consolidating our findings, we have the following observations and comments regarding the work of HD and HKHS in combating abuse of public housing resources.

Our Findings

(I) Applicable Scope of WTP

<u>HKHS Should Explore Covering All PRH Tenants under WTP</u>

4. HKHS's WTP implemented in 2018 only covers applicants with the tenancy coming into effect on or after 1 September 2018, and household members (except the spouse of original tenants) granted a new tenancy on or after that date for "take-over tenancy". Even the enhanced WTP introduced in 2024 does not cover all HKHS tenants. As at November 2024, only 14.1% of HKHS tenants were covered by the WTP. In other words, for the majority of HKHS tenants not covered by the WTP, it is entirely up to the tenants to voluntarily notify HKHS and surrender their flats upon household income or assets exceeding the limits or domestic property ownership acquired in Hong Kong. Such a loophole allows tenants to intentionally withhold information and persist with PRH abuse.

5. To plug the loophole earlier and treat all PRH tenants fairly, we urge HKHS to seek further legal advice according to circumstances, and proactively explore ways to cover all tenants of its rental estates under the WTP as soon as possible.

(II) Detection of Tenancy Abuse Relating to Income and Assets Declaration

<u>HKHS's Former Mechanism Inadequate for Vetting the Eligibility of Applicants for "Take-over Tenancy"</u>

6. **Case (6)** detailed in the investigation report revealed that HKHS's former mechanism for vetting the eligibility of applicants for "take-over tenancy" was inadequate. Given that the WTP does not cover all HKHS tenants, it is especially essential for HKHS to conduct stringent vetting when handling rental or tenancy matters. The spot checks conducted by HKHS according to the procedural guidelines at that time were obviously inadequate. During our direct investigation operation, HKHS has established a new mechanism with the LR since January 2024, under which HKHS will verify tenants' domestic property ownership in Hong Kong when handling their rental or tenancy matters.

7. This Office urges HKHS to take advantage of this new mechanism in proactively performing its gatekeeping role. All staff of the Estate Management Offices and the Tenancy Management Offices should be reminded to strictly adhere to the guidelines in their daily management of rental or tenancy matters, and critically vet the PRH eligibility of relevant applicants or families in accordance with the policy. The above recommendation is also applicable to HKHA's daily management of rental or tenancy matters.

<u>HKHA Should Consider Strengthening the Vetting on the Applications for "Take-over Tenancy"</u>

8. This Office considers that HKHA should consider drawing on HKHS's practice and explore conducting land search on applicants for "take-over tenancy" and their adult family members through the Integrated Registration Information System or the data matching and verification mechanism, thereby vetting their domestic property ownership in Hong Kong. It should only approve the "take-over tenancy" applications after confirming their eligibility.

<u>HKHA Failing to Stringently Scrutinise the Declaration Forms Submitted by Tenants</u>

9. Our investigation revealed that due to manpower constraints, HKHA and HKHS would not thoroughly scrutinise the truthfulness of the particulars in each declaration form in the past. However, spot checks of declaration forms only are

inadequate to curb PRH abuse. The failure of HKHA and HKHS staff to stringently scrutinise suspicious or incomplete declaration forms might give tenants a perception that the authorities would simply accept anything they submitted, and those intending to withhold information might gamble on not being detected. We recommend that HKHA and HKHS remind all estate management staff to critically scrutinise the particulars in the declaration forms submitted by tenants, clarify any suspicious or incomplete information, and proactively obtain tenants' relevant information from other government departments or organisations where necessary.

10. Before June 2023, each land search costed $640 and had to be conducted by manual input of data one by one. Due to manpower and resource constraints, HD was unable to conduct a land search on each tenant aged 18 or above in all applications. Nevertheless, HKHA has implemented a new declaration system since October 2023, under which all tenants, upon admission to PRH, are required to declare biennially their occupancy status and any domestic property ownership in Hong Kong. With the new mechanism with LR established in 2023, land search will be conducted on all adult family members required to make declaration. The financial efficiency has been enhanced with the average cost per land search substantially reduced to around $4. Since January 2024, HKHS has also conducted land search through the data matching and verification mechanism established with LR on the adult family members of about 1,900 households required to make declaration in 2024; it will conduct land search on the household members required to declare their property ownership thereafter.

<u>HKHA and HKHS Should be More Proactive in Liaison and Communication with Mainland Authorities and Agencies to enhance information exchange</u>

11. The public widely considers that HKHA and HKHS should strengthen communication with Mainland authorities or agencies to detect any property ownership of PRH applicants and tenants in the Mainland. In the past year or so, HKHA and HKHS have been more proactive in liaison with the relevant Mainland authorities or agencies. With more experience in cooperation and communication, HKHA has established effective means of liaison with Mainland authorities and agencies to facilitate the detection of tenants' property ownership in the Mainland. We are pleased to note that HKHS will follow the practice of HKHA in strengthening this aspect.

HKHA and HKHS Should Strengthen Communication with Transport Department ("TD")

12. It is not a violation for PRH tenants to own motor vehicles, but vehicle ownership can provide a clue for tracing whether they have made false statements or omitted declaration. In recent years, HKHA and HKHS have indicated that they would pay closer attention to the vehicles parked in the monthly parking spaces of PRH estates under their management as a clue for investigating the income and assets of the tenants concerned. As a result, they have successfully detected tenants who were withholding information. However, some PRH tenants who intend to evade investigation may choose to park their vehicles in private car parks at higher fees instead of PRH car parks. To plug the loophole and obtain tenants' information more conveniently, HKHA and HKHS should further strengthen communication with TD for obtaining the information of registered vehicle owners whose registered residential or correspondence addresses are PRH flats. It will enable HKHA and HKHS to check any ownership of expensive vehicles and Mainland vehicle licences, whether tenants have withheld information or made false statements, and whether their incomes and assets exceed the prescribed levels.

(III) Detection of Tenancy Abuse Relating to Occupancy Status

HKHS Too Lenient with Serious Tenancy Abuse

13. Before August 2024, HKHS would require the tenants in substantiated abuse cases to rectify the breach according to the time frame specified in its operational manual. Under the Warning Letter System, HKHS classified tenancy abuse into two main categories: (1) non-occupation, engaging in illegal activities in the flat, non-domestic usage and false declaration; and (2) subletting or reletting the flat. From issuing a written confirmation to the tenant after the abuse is substantiated to issuing the third warning letter, a period was allowed for rectification.

14. This Office considers it essential to take decisive action against PRH abuse. Once such cases are detected and substantiated, HKHS should initiate the process immediately to terminate the tenancy and recover the flats, just like the practice of HKHA. However, HKHS's Warning Letter System in the past allowed tenants in serious abuse cases to continue residing in their flats after rectification. They were also given a very lenient period to rectify the breach, which in effect allowed them to continue with PRH abuse before the final deadline.

15. This Office is of the view that HKHS's Warning Letter System significantly undermined the vigour and effectiveness of its efforts in combating and preventing tenancy abuse. Following our intervention, HKHS has reviewed its former practice of being too lenient with serious tenancy abuse. Once serious abuse is substantiated, it will now initiate the process immediately to terminate the tenancy without giving any warning to the tenant. We urge HKHS to remind all staff to strictly adhere to the new practice and review its implementation in a timely manner.

<u>Routine Home Visits of HKHA and HKHS Ineffective for Detecting PRH Abuse</u>

16. Routine home visits form one of the measures to detect PRH abuse relating to occupancy status. These visits also serve other purposes, such as understanding the change in family circumstances, conditions of PRH facilities and occupancy status of tenants, and maintaining communication with tenants.

17. During this direct investigation operation, we had specially arranged our officers to accompany HD and HKHS staff during routine home visits. We consider that the effectiveness of home visits in combating PRH abuse largely depends on the investigation methods and techniques of estate management staff and their subsequent actions. If they are just going through the motions, home visits will not achieve the intended purposes. Even though estate management staff have conducted routine home visits according to operational guidelines, their success rate of detecting abuse relating to occupancy status is not high, given the large amount of manpower and time required. The authorities might not be able to detect whether the tenants' occupancy status is in compliance with the tenancy terms simply relying on home visits.

18. In the long run, we recommend that HKHA and HKHS review whether there is any duplication of resources or possibility of revamp between the arrangement of routine home visits and other measures against PRH abuse, thereby ensuring that the measures for combating abuse are complementary and more effective as a whole.

19. After review, if routine home visits are still considered essential for combating abuse, HKHA and HKHS should ensure the efficiency and cost effectiveness of home visits for detecting abuse. HKHA and HKHS should comprehensively review the existing arrangements from the perspectives of raising the success rate of surprise visits and the success rate of abuse detection, provide estate management staff with specific training on investigation techniques for home visits, and draw up clear

guidelines on the subsequent actions after home visits and the monitoring measures; HKHS should also review the arrangements for home visits by appointment.

To Obtain Tenants' Information from Relevant Departments More Proactively

20. Under the existing mechanism, the Social Welfare Department ("SWD") will notify HD of the personal data of elderly persons admitted to subsidised places of residential care home, and the information of PRH tenants participating in the Guangdong and Fujian Schemes. At the request of HD, SWD will also provide the information of individual tenants relating to social security assistance. The Immigration Department will provide, at the request of HD, individual tenants' registration of persons records, immigration records, marriage registration records and death registration records.

21. In the past, HKHA and HKHS adopted a risk-based strategy and focused resources on in-depth investigation of high-risk or suspected abuse cases revealed by tip-off or detection. It was impossible to conduct in-depth investigation on all tenants. Therefore, the crux of the matter is whether HKHA and HKHS staff can promptly detect PRH abuse and approach other government departments for relevant information of the tenants concerned. To avoid oversight, we recommend that estate management staff immediately and proactively consider obtaining information of tenants from the relevant departments whenever they are aware of possible PRH abuse for stronger crackdown.

HKHA's New Award System Inadequate to Incentivise Individual Staff of Property Services Agents and Security Services Contractors

22. In their daily performance of management or patrol duties, the staff of property services agents and security services contractors should be able to grasp the occupancy status of PRH flats. For example, they might become aware of tenants' prolonged absence from home, flats frequented by strangers, flats persistently without lights at night time, or overflowing mailboxes. These suspicious cases should be reported to HD and HKHS for further monitoring or investigation. However, our investigation revealed that in most cases, property services agents and security services contractors often only took action at the request of the Estate Management Offices or the Public Housing Resources Management Sub-section ("PHRM"), such as monitoring suspected cases of PRH abuse, tracking the records of water and electricity consumption, and assisting in surprise home visits. They seldom took the initiative to report suspected cases to HD.

23. Since the third quarter of 2023, HKHA has incorporated an award system in the performance assessment scoring for property services agents and security services contractors. Under which, HKHA will award additional marks in their performance assessment for putting in extra resources leading to HKHA's issuance of Notice-to-quit in PRH abuse cases, which will increase their opportunity of tender submission and tender award in future. However, the award system may not be adequate to encourage individual staff members to proactively monitor the situation of flats or tenants and report their observations to superiors.

24. To promote a greater monitoring role for the staff of property services agents and security services contractors, HKHA should consider formulating specific incentive schemes motivating individual staff members to participate in combating PRH abuse. We consider that to enhance effectiveness, HKHA should provide the staff of property services agents and security services contractor with observation training for detecting PRH abuse, raise their vigilance and sense of responsibility in reporting suspected cases to the Estate Management Offices, and draw up guidelines for reference and compliance by staff.

<u>HKHS Should Step up Monitoring Water Consumption of Tenants</u>

25. When examining some early cases[1] of HKHS, we noted that it had not taken the initiative to monitor the water consumption of tenants for clues to initiate in-depth investigation. It was often only after commencement of investigation that HKHS deployed staff to monitor the water consumption of a suspected flat for evidence of PRH abuse. We urge HKHS to follow the practice of HD and step up monitoring of water consumption of rental flats, thereby detecting those with abnormal water consumption for further investigation.

<u>HKHS Has Not Established a Notification Mechanism with SWD</u>

26. HKHA has established a notification mechanism with SWD years ago, under which SWD will notify HD of the personal data of elderly persons admitted to subsidised places of residential care home, and the information of PRH tenants participating in the Guangdong and Fujian Schemes. The mechanism has been

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[1] Since January 2023, HKHS has received information about rental flats with abnormal water consumption from the Water Supplies Department.

operating smoothly. HKHS should consider following suit and liaising with SWD to set up a similar notification mechanism as HD's, so as to gain a more comprehensive understanding of the situation of tenants.

(IV) Follow-up Actions on PRH Abuse Cases

HKHA's Prosecution Rate Too Low to Create Deterrent Effect

27. Over the past seven years, the prosecution rate of HKHA in respect of PRH abuse cases ranged from only 1.7% to 4.2%. As the prosecution rate is extremely low, there are public views that the deterrence is inadequate, leading tenants to be heedless of the consequences of concealing their income or assets, with a wrong perception that the worst-case scenario will be surrendering the flat and no legal liability will be incurred.

28. After examining the case files, we found that the time limit[2] for prosecution had expired in many cases when the PRH abuse was discovered. Consequently, HKHA was unable to prosecute tenants for making false statements even though sufficient evidence was available. To enhance deterrent effect and cost efficiency, we recommend that HKHA consolidate experience and comprehensively review how to identify and collect sufficient evidence for prosecution within the limitation of time, thereby raising prosecution rate to the extent that PRH abusers will be compelled to surrender their flats voluntarily. The Office is pleased to note that HD is currently exploring amendments to the Housing Ordinance to extend the time limit of prosecution against PRH abuse involving false statements.

To Explore Heavier Penalties Against PRH Abuse

29. Before the enhanced WTP was implemented by HKHA, only abuse relating to "income and assets declaration" will be prosecuted on the grounds of making false statement. As for abuse relating to "occupancy status", even for such serious cases as subletting or engaging in illegal activities in the flat, the most serious consequences would only be termination of tenancy, surrender of the flat to HKHA and disqualification from applying for public housing again within two years.

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[2] Within 2 years after the commission of the offence or within 6 months after the discovery thereof by an authorised officer, whichever period expires first.

30. In **chapter 5, case (5)** of the investigation report, the tenant had sublet the flat to non-household members for financial gain at the expense of public resources. Even after the abuse was substantiated, HD eventually took about five months to recover the flat, while the subletting continued in the interim. Such serious abuse only resulted in surrender of the flat, which was a very minor consequence for the tenant who had already left Hong Kong and no longer lived in the flat.

31. As HKHS is not vested with the statutory power to prosecute, its tenancy management is entirely based on the terms of tenancy agreement. The penalties imposed by HKHS in PRH abuse cases are even milder and less deterrent than those imposed by HKHA. In view of the current situation of inadequate deterrence and lenient penalties, we recommend that HKHA and HKHS explore any room for imposing heavier penalties on tenants for PRH abuse, including additional sanctions through administrative measures to achieve a greater deterrence. The Office is pleased to see that HD is currently exploring amendments to the Housing Ordinance to raise the penalties for PRH abuse and criminalise such serious abuse as subletting and reletting.

<u>HKHA Lacking Records and Analysis of Data</u>

32. This Office considers that to ensure the desired effect achieved by the policies and measures against PRH abuse, prevent loopholes from occurring and refine the measures and operational guidelines where necessary, HKHA should regularly review the effectiveness in implementing the policies. The collection and analysis of statistical data on cases is an integral part of the review. However, HKHA currently has no centralised data about information obtained from other departments or organisations, nor has it compiled breakdown data on PRH abuse. To gain a more comprehensive understanding of the actual situation, analyse the work efficiency, and adjust the relevant strategies and enhancement measures, we recommend that both HKHA and HKHS step up the collection and analysis of data relating to crackdown on PRH abuse.

(V) Others

<u>Lack of Computerised Management of Case Investigations and Follow-up Actions</u>

33. Although HD has a dedicated computerised management system to record and follow up on daily management of tenancy matters and routine home visits, it has not computerised the management of investigation of PRH abuse cases. The staff of

the Estate Management Offices and the PHRM still record information on paper files, which are passed on to responsible officers at the next stage for further action. Entirely relying on paper files for recording and managing case investigations and follow-up actions has an impact on the subsequent case monitoring, data collection and analysis, and even the speed of case processing. If HD intends to study and review the follow-up actions, the handling procedures at various stages, and the effectiveness of combating PRH abuse, it will need to go through the paper files one by one, which is a time-consuming and cumbersome exercise.

34. Following the launch of our direct investigation operation, HKHA has reviewed its existing practice and set up a new computer system for storing the case information, procedures and investigation results of frontline Estate Management Offices and the PHRM in relation to work against PRH abuse for better monitoring. We urge HKHA to equip the computerised management system with data collection and analysis functions to enhance the effectiveness of its work against PRH abuse. While HKHS has already followed HKHA's practice in using an electronic platform to facilitate home visits, we recommend that HKHS further consider computerising the management of its work against PRH abuse.

<u>Lack of Transparency in Following up on Reports</u>

35. Apart from the occasional complaints received, this Office has been informed by members of the public that after reporting cases of PRH abuse to HD, they were refused disclosure of HD's follow-up actions and investigation results on the grounds of protecting third-party privacy. The public considered that the lack of transparency gave the impression that HD was slipshod and ineffective in investigation. Some even queried whether HD had followed up on the reports received at all.

36. This Office recognises the importance of protecting third-party privacy. However, with the Report Public Housing Abuse Award launched for provision of accurate information on PRH abuse, it is expected that more reports will be received, and informants will be anxious to know whether HD has followed up on their reports seriously. To enhance transparency and avoid misunderstanding, we recommend that both HKHA and HKHS consider giving a concise account of their follow-up actions to informants as far as possible without disclosing the personal data of third parties or affecting the progress of investigation.

HKHA and HKHS Should Strengthen Communication and Liaison on Combating PRH Abuse

37. There are many areas of mutual reference and complementarity between HKHS and HD in their strategies and efforts against PRH abuse. Currently, HKHA and HKHS have formulated their own WTP and anti-abuse measures. Although their measures and practices are similar, as mentioned above, HKHS still has room for improvement in the handling of substantiated abuse cases, arrangements for routine home visits, notification mechanism with other departments, detection of PRH abuse, and formulation of new measures. HKHS should consider drawing on the more extensive experience of HKHA in handling PRH abuse. To facilitate synergy and mutual exchange, we recommend that HKHA and HKHS step up information exchange and experience sharing on their work against PRH abuse.

Training on Investigation Techniques to be Strengthened

38. Low water consumption, rent arrears, unreachable tenants or household members are probably signs of PRH abuse. The ability of frontline estate management staff to discern these signs and take proactive action is one of the important factors in the successful detection of PRH abuse. Moreover, online advertisements or posts for subletting of PRH flats appear from time to time. If HKHA and HKHS staff can track down the relevant tenants more accurately and effectively, they can prevent PRH abuse at an early stage.

39. In this light, we recommend that HKHA and HKHS consolidate experience from various cases of PRH abuse and formulate a targeted and effective approach to detect and investigate such cases. Relevant training should be provided for frontline estate management staff or PHRM staff to enhance their sensitivity in discerning PRH abuse and capability to take corresponding actions on the clues or information obtained, resulting in more effective detection of PRH abuse.

Flexible Allocation of Resources for Investigation of PRH Abuse

40. With the strengthened efforts and publicity campaigns against PRH abuse, the workloads of HD and HKHS are expected to increase significantly. Meanwhile, HKHA has launched the Report Public Housing Abuse Award in January 2025 for provision of accurate information on PRH abuse, thereby detecting more abuse cases. To prevent misuse and ensure the truthfulness of the information provided, Award

participants have to provide their real names and be interviewed by dedicated personnel. HD needs to deploy additional manpower to implement the Award and conduct in-depth investigation into the reports, so as to enhance the success rate under the Award and avoid discouraging the public from reporting.

41. To effectively implement the enhanced efforts in combating PRH abuse and the recommendations made in this direct investigation operation, we recommend that HKHA and HKHS review the allocation of resources according to actual circumstances, with timely increase of resources and adjustment of workflow to ensure continued effectiveness of their work against PRH abuse.

(VI) Vetting Assets of PRH Applicants

<u>HKHA and HKHS Failing to Stringently Vet PRH Applicants' Property Ownership</u>

42. We consider that if HKHA and HKHS deepen the reform of the mechanism against PRH abuse and adopt the improvement measures detailed above to eliminate ineligible PRH applicants at source, the effectiveness will increase exponentially. It is therefore crucial to tackle the problem of PRH abuse at source by cancelling ineligible applications and allocating PRH resources to those in genuine need.

43. **Case (2)** in **chapter 5** showed that before the new system implemented in 2023, HD apparently did not conduct a comprehensive vetting on all household members of each PRH application for any domestic property ownership in Hong Kong.

44. This Office considers that to achieve effective gatekeeping and cost efficiency, HKHA and HKHS should consider adopting the effective data matching mechanism with LR mentioned above to screen PRH applicants and their household members for any domestic property ownership in Hong Kong before confirming their eligibility for PRH allocation. During the waiting period of PRH applicants, the authorities should also conduct in-depth investigation of randomly selected cases to detect if any applicants have withheld information on income or assets, and cancel the applications of those who fail to pass the eligibility test.

45. Since mid-2023, HD and LR has in place a data matching and verification mechanism for conducting a land search on each PRH applicants before confirming their eligibility for PRH allocation, and robustly screen them for any domestic property ownership in Hong Kong. Apart from cancelling the applications, HKHA will consider prosecuting the applicants found to have made false statements.

46. In addition, the issue of vetting the assets of PRH applicants outside Hong Kong has all along been a matter of concern. To combat PRH abuse at source, HKHA and HKHS should proactively consider vetting PRH applicants' property ownership in the Mainland or Macao, and establishing channels or platforms for such purpose in liaison with Mainland and Macao authorities or agencies. As for the vetting of overseas property ownership, we understand that it depends on whether overseas governments or relevant organisations are willing to cooperate in providing information on the tenants concerned. Nonetheless, we recommend that HKHA and HKHS continue to explore feasible ways of tracing the overseas property ownership of PRH applicants and tenants, thereby further enhancing the effectiveness of their work against PRH abuse.

Recommendations

47. In the light of the above, The Ombudsman recommends that HD and HKHS:

(1) remind all staff of the Estate Management Offices and the Tenancy Management Offices to strictly adhere to the guidelines in their daily management of rental or tenancy matters, and vet the PRH eligibility of relevant applicants or families in accordance with the policy;

(2) consider strengthening the vetting of "take-over tenancy" applications, and checking any domestic property ownership in Hong Kong of principal tenants and their family members;

(3) remind estate management staff to stringently scrutinise the particulars in the declaration forms submitted by tenants, to be more vigilant in clarifying suspicious or incomplete information, and to be more proactive in obtaining tenants' relevant information from other government departments or organisations where necessary;

(4) explore the feasibility of comprehensive screening of all PRH tenants through land search regularly;

(5) explore ways to enhance communication with Mainland and Macao authorities and agencies, and establish channels as far as practicable, for more convenient access to information about tenants' property ownership in the Mainland or Macao;

(6) consider strengthening communication with TD for obtaining the information of registered vehicle owners whose registered residential or correspondence addresses are PRH flats where necessary;

(7) explore any room for improvement in the existing arrangements and monitoring system for home visits, especially the deployment of manpower, whether estate management staff have enough time to complete home visits within the time limit, and whether the proportion and practice of reviews and spot checks of records can be strengthened;

(8) in the long run, review whether there is any duplication of resources or possibility of revamp between the arrangement of routine home visits and other measures against PRH abuse, thereby ensuring that the measures for combating PRH abuse are complementary and more effective as a whole;

(9) after review, if routine home visits are still considered essential for combating abuse, comprehensively review the existing arrangements from the perspective of raising the success rate of surprise visits, such as deploying manpower flexibly to increase the number of surprise visits during non-office hours, and adjusting the timing of surprise visits according to the flat types and demographic composition of specific PRH estates;

(10) after review, if routine home visits are still considered essential for combating abuse, comprehensively review the existing arrangements from the perspective of raising the success rate of abuse detection, such as providing estate management staff with specific training on investigation techniques for home visits, and drawing up clear guidelines on the subsequent actions after home visits and the monitoring measures;

(11) proactively consider obtaining information of tenants from the relevant departments whenever estate management staff are aware of possible PRH abuse;

(12) consider formulating specific incentive schemes to motivate staff members of property services agents and security services contractors to participate in combating PRH abuse;

(13) for the sake of enhancing effectiveness and if feasible under contractual terms, provide the staff of property services agents and security services contractor with observation training for detecting PRH abuse, and raise their vigilance and sense of responsibility in reporting suspected cases to the Estate Management Offices;

(14) explore any room for imposing heavier penalties on tenants for PRH abuse, especially for misconduct not in breach of the law, where HKHA and HKHS can still impose additional sanctions through administrative measures to achieve a greater deterrence;

(15) step up the collection and analysis of data relating to crackdown on PRH abuse to gain a more comprehensive understanding of the actual situation, analyse the effectiveness of work, and adjust the relevant strategies and enhancement measures;

(16) for the sake of enhanced transparency and avoidance of misunderstanding, consider giving a concise account of their follow-up actions to informants as far as possible without disclosing the personal data of third parties or affecting the progress of investigation;

(17) for the sake of facilitating synergy and mutual exchange between HKHA and HKHS, strengthen communication and liaison with more information exchange and experience sharing on their work against PRH abuse;

(18) continue to consolidate experience from various PRH abuse cases, formulate a targeted and effective approach to detect and investigate such cases, and provide relevant training for frontline estate

management staff or PHRM staff to enhance their sensitivity in discerning PRH abuse and capability to take corresponding actions on the clues or information obtained;

(19) review the allocation of resources according to actual circumstances, with flexible deployment of manpower and adjustment of workflow to ensure continued effectiveness of their work against PRH abuse;

(20) consider conducting a land search on all PRH applicants through the data matching and verification mechanism established with LR before confirming their eligibility for PRH allocation, robustly screening them for any domestic property ownership in Hong Kong, and randomly selecting cases for in-depth investigation during the waiting period of PRH applicants, so as to intercept PRH abuse at source;

(21) proactively consider liaising with Mainland and Macao authorities or agencies to establish channels for vetting PRH applicants' property ownership in the Mainland or Macao; and

(22) explore feasible ways of tracing the overseas property ownership of PRH applicants and tenants.

48. The Ombudsman recommends that HKHA:

(23) draw on experience and comprehensively review its strategies and policies to raise prosecution rate, and explore ways to identify and collect sufficient evidence for prosecution within the limitation of time for prosecution, thereby enhancing deterrent effect and cost efficiency to the extent that tenants who have been abusing PRH will surrender their flats voluntarily; and

(24) equip the new computerised management system with data collection and analysis functions to enhance the effectiveness of its work against PRH abuse.

49. The Ombudsman recommends that HKHS:

(25) study anew the full implementation of the WTP, seek legal advice and seriously explore ways to cover all tenants of its rental estates under the WTP as soon as possible;

(26) remind all staff to strictly adhere to the practice of issuing the Notice-to-Quit outright to tenants in serious breach of the tenancy agreement without prior warning, and review the implementation of the new practice in a timely manner;

(27) review the existing arrangements of accepting appointments for routine home visits;

(28) continue to follow HKHA's practice in monitoring the water consumption of rental flats, and conduct further investigation if anomaly is detected;

(29) consider liaising with SWD to set up a notification mechanism in the same way as HKHA; and

(30) consider following HKHA's practice in computerised management of work against PRH abuse;

(31) consider drawing on the more extensive experience of HKHA in handling PRH abuse.

Office of The Ombudsman
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